

EXHIBIT 9

**Amendment No. 7 to Statement of Work
(Exhibit 4568)**

Amendment No. 7 to Statement of Work

This amendment, dated July 17, 2013 and effective as of June 1, 2013 (this "Amendment") amends the Professional Services Contract, dated as of October 28, 2011 and effective as of May 16, 2011 and amended by Amendments 1- 6 (the "Prior Amendments") dated November 1, 2011, March 1, 2012, July 1, 2012, October 23, 2012 and December 3, 2012, April 4, 2013 respectively (as so amended, the "Original Agreement" and as modified by this Amendment, the "Agreement"), between Ernst & Young LLP ("we" or "EY") and the City of Detroit – Finance Department ("you" or "City"). Capitalized terms used, but not otherwise defined, in this Amendment shall have the respective meanings ascribed to them in the Original Agreement and identical terms defined in this Amendment and in the Original Agreement shall have the respective meanings ascribed to them herein. Except as modified by this Amendment, all terms and conditions of the Original SOW shall continue in full force and effect and be unaffected by this Amendment.

Clarifications

For the avoidance of doubt, each of the parties acknowledges and agrees as follows: (i) the date of the Agreement is deemed to be October 28, 2011, the date on which the Purchasing Director of the City of Detroit signed the Original Agreement (prior to the Prior Amendments), and the effective date of the Agreement is May 16, 2011 as contemplated by Section 4.02 of the Agreement; (ii) each of the Prior Amendments states that it amends a statement of work entered into by the parties on June 16, 2011, but that no such statement of work was executed; (iii) the Prior Amendments actually amended Exhibit A (with respect to scope of the Services and timetable for performance) and Exhibit B (with respect to fees) of the Agreement; and (iv) each of the Prior Amendments shall be deemed an amendment to the Agreement and be in full force and effect with respect to the subject matter thereof, notwithstanding the incorrect reference to a statement of work.

Engagement Team

Gaurav Malhotra (Engagement Partner) will lead the EY team overall in providing the restructuring services described herein (the "Services") and will be supported by other senior members including Joseph Fontana (Partner) in connection with the public lighting department and Robert Cline (Director) in connection with long term tax revenue estimates. If any of these individuals ceases to provide Services to the Client pursuant to the Agreement, EY will so advise the Client and, if that person is replaced, provide the Client with the name of that professional's replacement. Other staff not identified herein may be utilized as required to conduct our work in an efficient manner.

Scope of services

Exhibit A of the Original Agreement is hereby amended and supplemented by adding the following additional activities (the "Additional Summer 2013 Services" and together with the services provided for under the Original Agreement, the "Services") to be performed by EY from and after the date hereof:

➤ **Financial restructuring and plan development:**

- Assist the City in the development of a financial restructuring plan to:
 - establish a framework to evaluate the long term financial resources available to the City's general fund to perform core functions;
 - evaluate cash flows available to fund current and legacy liabilities under alternate scenarios; and
 - evaluate liquidity implications of restructuring the City's outstanding debt and contingent liabilities;
- Assist the City in the preparation of a ten year financial forecast for the City's general fund;
- Prepare sensitivity analysis that explains the relative reliance on certain assumptions within the ten-year forecast;
- Assist the City with cash flow forecasting for the City's general fund and reporting under various restructuring scenarios;
- Design and prepare a short term liquidity management/cash flow template that incorporates detailed sources and uses of cash (13-week cash flows) and related budget to actual variance analysis for the City's general fund;
- Evaluate alternate scenarios for the City to manage its exposure to other post employment benefit OPEB liabilities (alongside Milliman);
- Assist the City in evaluating the financial impact of its negotiations with counterparties including unions, debt holders, swap counter-parties, retirees, as needed; and
- Collaborate with the City's legal and capital markets in connection with the foregoing activities.

➤ **Preparation of 10-Year tax revenue estimates for the General Fund:**

- Evaluate existing 10-year static revenue estimates;
 - In connection with this activity, the City shall provide EY with access to the underlying key economic variable forecast that drives the current 10-year tax base forecast. In addition, EY will work with the economists in the Office of Revenue and Tax Analysis in the Michigan Department of Treasury to evaluate the State's revenue sharing estimate and any available state forecast for future years.
- Prepare a revised 10-year estimate of the major City revenue sources based on economic trends;
 - In connection with this activity, EY will apply current-law tax rates to the new tax base estimates in deriving a revised 10-year revenue forecast.

- Prepare 10-year forecasts for alternative tax scenarios as reasonably requested by the City;
 - EY will prepare estimates of General Fund tax revenue for alternative tax structures selected by the City. EY's estimates will be based on the revised economic and tax base forecasts referenced above. In this step of the project, at the City's request, EY will provide the City with general feedback and tax policy perspectives on possible changes in the existing City tax structure. However, EY will not make specific tax policy recommendations for tax structure changes.
- EY will assist Client in evaluating the expected economic impacts on the City of Detroit's economy of selected tax reform options. To estimate the "dynamic" economic impacts of tax policy changes, EY will use the Regional Economic Models, Inc. ("REMI") model of the City economy; and
- EY will estimate the expected increase in Detroit tax collections due to a stronger economy under various scenarios mutually agreed by the parties and will estimate the tax collection increases that may accrue to the State of Michigan under such circumstances.

Please note that this workstream was commenced in May, 2013 and the fees incurred through May 31 for this workstream are \$93,479 which has been billed separately.

➤ **Public Lighting Department Transaction Diligence:**

- Assist the Public Lighting Department ("PLD") in evaluating the restructuring;
- Conduct interview with appropriate personal of PLD and other professionals;
- Assist Client in engaging third-party engineering study in order to assess any proposal to replace Client's T&D system, including capital and operations and maintenance costs;
- Understand the current revenue profile (i.e., KWh sales, tariff rate, customer population, etc). Recommend if Client should immediately increase the tariff rate to existing customers to reduce the current losses Client is bearing because the cost to provide electricity is higher than Client's cost to procure power and deliver it to its customers;
- Gather and compile preliminary data on assets and liabilities for assessment purposes, including potential scrap value;
- Identify interdependencies between DTE Energy and PLD, if any;
- Consider Client's options with respect to the Mistersky Power Plant (e.g., abandon in place or "brownfield" option); and
- Prepare draft findings to Client regarding the foregoing matters.

Please note that the workstream above was covered under Amendment 6 which will be billed separately. Additional activities related to the PLD restructuring beyond June 1, 2013 will include the continuation of the workstreams above, evaluation and analyses of third-party proposals and recommendations on the City's long term approach for PLD.

- ▶ **Upon the City's request in the event that the City considers filing for Chapter 9, EY will provide the following services:**
 - ▶ Assist management with respect to pre-bankruptcy contingency planning and post- bankruptcy implementation;
 - ▶ Assist the City's legal advisors with the preparation of first day motions;
 - ▶ Interface with the claims agent, as required; Provide financial analyses as reasonably requested by the City in connection with its potential resolution of claims;
 - ▶ Assist the City and its legal advisors in the preparation of the Schedule of Liabilities;
 - ▶ Assist the City with its establishment of a critical vendor program;
 - ▶ Assist the City with communication and reporting to various parties in interest, including creditors and their advisors;
 - ▶ Advise and assist management from a financial (and not legal) perspective in the development and preparation of the Plan of Reorganization and Disclosure Statement;
 - ▶ Provide a written declaration concerning the facts of EY's performance of the Services to date and the results thereof; and
 - ▶ Assist the City with the coordination and production of financial information required by various constituents and their legal and financial advisors.
- ▶ **Provide additional assistance as requested by you and agreed by us in connection with the foregoing activities.**

For the avoidance of doubt, the Services do not include EY serving as an expert witness in connection with your Chapter 9 proceedings or otherwise.

Timetable

The Section of Exhibit A of the Original Agreement entitled "Timetable" is hereby amended and supplemented by adding the following: "We expect to perform the Additional Summer 2013 Services during the period from June 1, 2013 to December 31, 2014. Changes to this time schedule may be agreed in writing by the parties."

Fees

Exhibit B of the Original Agreement is hereby amended and supplemented by adding the following:

"Our fees for the Additional Summer 2013 Services effective June 1, 2013 will be based upon the actual time incurred by our professionals at 65% of our standard hourly rates." Our Discounted Billing Rates are included in Annex A.

For any period prior to a potential Chapter 9 bankruptcy filing and beginning June 1, 2013, EY will cap its fees to the lower of actual time incurred at the above mentioned rates or \$250,000 per week.

For purposes of clarity, the above cap will not apply in the event the City files for Chapter 9 bankruptcy. Following a Chapter 9 filing, our fees will be based on the actual time incurred by our professionals at 65% of our standard hourly rates. The monthly fees will be subject to a 10% holdback that will be payable upon the confirmation of a Plan of Adjustment of Debts by the Bankruptcy court by December 31, 2014. In the event a Plan of Adjustment of Debts is not confirmed by December 31, 2014, the cumulative holdback amount will not be payable.

We may revise these rates from time to time upon notice to you.

In addition, you shall reimburse EY for its direct expenses incurred in connection with the performance of the Additional Summer 2013 Services, which shall include reasonable and customary out-of-pocket expenses for items such as travel (air fare and ground transportation), hotel, meals, accommodations, telephone, facsimile, overnight mail, messenger services and other expenses specifically relating to the applicable Services.

We will be billing our fees and expenses on a bi-weekly basis and our invoices are due upon receipt. Your obligation to pay our fees is not contingent upon the results of the Services (including, without limitation, the Additional Summer 2013 Services) or the consummation of any transaction. As you are aware, our existing contract requires the payment of invoices upon receipt.

If you file for bankruptcy protection under Chapter 9 of the Bankruptcy Code, you shall pay all of our outstanding invoiced amounts to us in immediately available funds by wire transfer before you commence the case. If you file for bankruptcy protection under Chapter 9 of the Bankruptcy Code, you shall pay all of our outstanding invoiced amounts to us in immediately available funds by wire transfer before you commence the case.

Responsibilities

Client accepts responsibility for the results of the Additional Summer 2013 Services. Client's approval of any Services shall not constitute a waiver of any of its rights under this Amendment. Client further agrees to establish and maintain internal controls in connection with the Services, including monitoring EY's performance under this SOW.

Contacts

The City's contact for the Additional Summer 2013 Services will be Kevyn Orr. EY's contact for such Services will be Gaurav Malhotra.

In witness whereof, the parties have executed this Amendment as of the date set forth above.

Ernst & Young LLP

By: Gaurav Malhotra
Name: GAURAV MALHOTRA
Title: PRINCIPAL

City of Detroit

By: Kevin D. Orr
Name: KEVIN D. ORR
Title: EMERGENCY MANAGER

The terms of this Amendment, the SOW and the Agreement are hereby approved and ratified in all respects as valid and binding obligations on the City of Detroit:

By: Kevin D. Orr 7/17/13
Kevin D. Orr
Emergency Manager
City of Detroit

Annex A: Discounted Billing rates

<u>Title</u>	<u>Discounted Billing Rates</u>
Partner/Principal	\$693 - \$805
Senior Manager	\$555 - \$658
Manager	\$455 - \$550
Senior	\$350 - \$410
Staff	\$185 - \$225